

Multiple Agency Fiscal Note Summary

Bill Number: 1274 S HB	Title: Cloud computing solutions
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Consolidated Technology Services	0	0	81,000	0	0	0	0	0	0
Total \$	0	0	81,000	0	0	0	0	0	0

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Joint Legislative Systems Committee	.0	0	0	0	.0	0	0	0	.0	0	0	0
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Consolidated Technology Services	.2	0	0	81,000	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	Fiscal note not available											
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.2	0	0	81,000	0.0	0	0	0	0.0	0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Systems Committee	.0	0	0	.0	0	0	.0	0	0
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Consolidated Technology Services	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	Fiscal note not available								
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

DSHS unavailable

Prepared by: Tyler Lentz, OFM	Phone: (360) 790-0055	Date Published: Preliminary 2/28/2021
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Individual State Agency Fiscal Note

Bill Number: 1274 S HB	Title: Cloud computing solutions	Agency: 038-Joint Legislative Systems Committee
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 02/19/2021
Agency Preparation: Kim Jorgenson	Phone: 3607867027	Date: 02/25/2021
Agency Approval: Kim Jorgenson	Phone: 3607867027	Date: 02/25/2021
OFM Review: Steven Puvogel	Phone: (360) 701-6459	Date: 02/25/2021

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Judicial Impact Fiscal Note

Bill Number: 1274 S HB	Title: Cloud computing solutions	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

Legislative Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 02/19/2021
Agency Preparation: Pam Kelly	Phone: 360-705-5318	Date: 02/25/2021
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date: 02/25/2021
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/25/2021

166,866.00

Request # 1275 SHB-1

Form FN (Rev 1/00)

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Bill # 1274 S HB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

Please see attached Judicial Impact Note (JIN).

II. B - Cash Receipts Impact

II. C - Expenditures

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and dexcribe potential financing methods

NONE

Part II: Narrative Explanation

This bill would modify RCW 43.105.375 Use of State Data Center, allowing for state agencies to opt for third party cloud services as well as use of the State Data Center when investing in existing or new telecommunications and information technology projects.

This bill would modify RCW 43.105.020 to define Cloud computing to have the same meaning as provided by the special publication 800-145 issued by the National Institute of Standards and Technology, United States Department of Commerce.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

Section 4 – Would establish a cloud technology transition task force chaired by the State Chief Information Officer to review workforce impacts, staff retaining needs and the ability to deliver cloud computing services effectively within state government.

II.B - Cash Receipt Impact

None

II.C – Expenditures

None

Part III: Expenditure Detail

III.A – Expenditures by Object or Purpose

	FY 2021	FY 2022	2021-23	2023-25	2025-27
FTE – Staff Years					
A – Salaries & Wages					
B – Employee Benefits					
C – Prof. Service Contracts					
E – Goods and Services					
G – Travel					
J – Capital Outlays					
P – Debt Service					
Total:					

III.B – Detail:

Job Classification	Salary	FY 2021	FY 2022	2021-23	2023-25	2025-27
Total FTE's						

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 1274 S HB	Title: Cloud computing solutions	Agency: 075-Office of the Governor
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 02/19/2021
Agency Preparation: Jim Jenkins	Phone: 360-902-0403	Date: 02/23/2021
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/23/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/24/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

- State agencies shall locate new and existing information or telecommunications investments within third-party, commercial cloud computing services, rather than in the state data center. State agencies must give preference to using the cloud over the state data center.
- A task force is established, chaired by the Chief Information Officer, to review the impact on labor of transitioning to third-party cloud computing services and the needs for retraining that would accompany such a shift. The task force shall report its findings and recommendations to the governor and the appropriate committees of the legislature by November 30, 2021.

Any costs related to migrating existing on-premises applications to third-party, commercial cloud computing solutions do not have a fiscal impact to the Office of the Governor. The Office of Financial Management (OFM), as a provider of these shared services, would reflect any costs related to locate new and existing information, or telecommunications investments within third-party cloud computing services, in the OFM fiscal note.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Revised

Bill Number: 1274 S HB	Title: Cloud computing solutions	Agency: 105-Office of Financial Management
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 02/19/2021
Agency Preparation: Jim Jenkins	Phone: 360-902-0403	Date: 02/26/2021
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/26/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/28/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This version of the bill removes the requirements to transition to cloud computing services and requires agencies to migrate to the state data center. OFM information and telecommunication investments are already within the state data center.

- State agencies shall locate new and existing information or telecommunications investments in the state data center or within third-party, commercial cloud computing services. State agencies must give preference to using the cloud computing services.

- A task force is established, chaired by the Chief Information Officer, to review the impact on labor of transitioning to third-party cloud computing services and the needs for retraining that would accompany such a shift. The task force shall report its findings and recommendations to the governor and the appropriate committees of the legislature by November 30, 2021.

It is assumed that existing information and telecommunication systems are within the state data center and no current systems would be placed within a third-party, commercial cloud computing service. Therefore, there is no fiscal impact related to the Office of Financial Management.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1274 S HB	Title: Cloud computing solutions	Agency: 163-Consolidated Technology Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Consolidated Technology Services	81,000		81,000		
Revolving Account-State 458-1					
Total \$	81,000		81,000		

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.4	0.0	0.2	0.0	0.0
Account					
Consolidated Technology Services	81,000	0	81,000	0	0
Revolving Account-State 458-1					
Total \$	81,000	0	81,000	0	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 02/19/2021
Agency Preparation: Christina Winans	Phone: 360-407-8908	Date: 02/24/2021
Agency Approval: Tim Gallivan	Phone: (360) 407-8215	Date: 02/24/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/25/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SHB 1274 amends RCW 43.105 to permit state agencies to locate new and existing information or telecommunications investments within third-party, commercial cloud computing services, and requires agencies to give preference to using the cloud over the state data center. It also creates a task force, chaired by the Chief Information Officer and consisting of legislators and representatives from various interest groups, to review the impact on labor of transitioning to third-party cloud computing services and the needs for retraining that would accompany such a shift.

Modifications in SHB 1274 from HB 1274 include:

The substitute bill removes all provisions of the original bill, except for the intent (section 1) and definition section (section 2).

Section 3 amends RCW 43.105.375 to permit state agencies to locate new and existing information or telecommunications investments within third-party, commercial cloud computing services, rather than in the state data center. State agencies must give preference to using the cloud over the state data center.

Section 4 adds a new section to RCW 43.105 to establish a task force, chaired by the Chief Information Officer, to review the impact on labor of transitioning to third-party cloud computing services and the needs for retraining that would accompany such a shift. Task force membership consists of:

- Four legislators, one from each of the largest caucuses in both the Senate and the House of Representatives,
- the Chief Information Officer,
- The Chief Information Security Officer,
- Two representatives from the represented employees' bargaining unit for state employees,
- One representative from a company providing third-party cloud computing services,
- One representative from a trade association representing cloud computing providers, and
- One member from the State Board for Community and Technical Colleges.

The task force must provide a report of its findings and recommendations to the Governor and the appropriate committees of the Legislature by November 30, 2021.

Section 4 expires December 31, 2021.

The modifications in SHB 1274 result in eliminating most of the fiscal impact of the original bill.

HB 1274 Analysis:

Section 2 defines cloud computing solutions as the same definition as the NIST definition maintained by the US Department of Commerce.

Section 3 requires state agencies to adopt third-party, commercial cloud computing solutions for new IT or telecommunications investments unless there is a service requirement which prohibits the adoption of a cloud solution. Agencies must evaluate cloud solutions for their ability to meet security and compliance requirements and for the portability of that data if the agency chooses to discontinue the use of that cloud service. The Office

of Chief Information Officer (OCIO) must manage exceptions to the cloud migration requirement in the bill through the waiver process. Waivers must be in writing and the office must report on the waiver applications requested and granted by December 30 of each year. The OCIO is also directed to develop standards and guidelines for adopting cloud computing technologies. WaTech is directed to oversee and provide technical specifications to the Department of Enterprise Services (DES) related to cloud computing solutions, and DES is directed to competitively procure cloud contracts, and renegotiate those at minimum every 5 years. Higher education is exempted from the provisions of this section.

Section 3 (5) and section 3 (6) require annual metrics related to staffing impacts resulting from the cloud migration effort and further create a training program for displaced employees as a result of this bill. Both sections are subject to the availability of appropriated funds.

Section 4 requires the state agencies to move existing systems and infrastructure to cloud-based solutions by June 30, 2025. The OCIO must report on the status of these migrations by January 1, 2024. OCIO is further directed to implement a program to facilitate the migration of systems to cloud-based technologies.

Section 4 (3) directs OCIO to manage exceptions to applications and infrastructure which cannot migrate by the deadline via the waiver process, and report to the legislature on the status of those waivers by December 30 each year, beginning in 2023. Higher education is exempted from this section.

Section 5 repeals 43.105.375, use of the State Data Center and business plan.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The modifications in SHB 1274 result in eliminating most of the revenue impact of the original bill.

The Office of the Chief Information Officer (OCIO) is funded by an appropriation from the Consolidated Technology Services Revolving Account (458-1). Revenues for the OCIO are collected from state agencies who receive allocations through the Office of Financial Management (OFM) central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure Consolidate Technology Services (WaTech) revenues are sufficient to support the required expenditures.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The modifications in SHB 1274 result in eliminating most of the fiscal impact of the original bill.

Policy Assumptions

Section 4 establishes a task force, chaired by the Chief Information Officer, to review the impact on labor of transitioning to third-party cloud computing services and the needs for retraining that would accompany such a shift. The task force must provide a report of its findings and recommendations to the Governor and the appropriate committees of the Legislature by November 30, 2021.

WaTech needs one Management Analyst 5 for five months to support the task force as well as compiling the

reports of the findings and recommendations. The costs are \$81,000.

WaTech assumes all the meetings will be virtual. Thus, there are no additional costs.

Operation Assumptions

Section 3(1) permit state agencies to locate new and existing information or telecommunications investments within third-party, commercial cloud computing services, rather than in the state data center. State agencies must give preference to using the cloud over the state data center.

WaTech already has the Cloud First policy in place. Thus, this section has no fiscal impact on WaTech.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
458-1	Consolidated Technology Services Revolving Account	State	81,000	0	81,000	0	0
Total \$			81,000	0	81,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.4		0.2		
A-Salaries and Wages	38,000		38,000		
B-Employee Benefits	13,000		13,000		
C-Professional Service Contracts					
E-Goods and Other Services	3,000		3,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	27,000		27,000		
9-					
Total \$	81,000	0	81,000	0	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Management Analyst 5	90,888	0.4		0.2		
Total FTEs		0.4		0.2		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1274 S HB	Title: Cloud computing solutions	Agency: 699-Community and Technical College System
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 02/19/2021
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/22/2021
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 02/22/2021
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/23/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The substitute bill differs from the original in the following ways:

- Removes the requirement that all new and existing information technology or telecommunications investments be moved solely to cloud computing services.
- Specifies that state agencies are to locate new and existing information or telecommunications investments in the State Data Center or within third-party commercial cloud computing services. State agencies are to give preference to cloud computing services. State agencies that cannot do so must receive a waiver from the Office of the Chief Information Officer.
- Creates a task force on cloud transition. The task force is to include on member from the State Board for Community and Technical Colleges.

SECTION 3

State agencies would be required to locate new and existing information or telecommunications investments in the State Data Center or within third-party commercial cloud computing services (Cloud Computing). State agencies are to give preference to using Cloud Computing services. State agencies with service requirements that preclude them from following the provisions of the bill must receive a waiver from the Office of the Chief Information Officer. The definition of state agencies includes the State Board for Community and Technical Colleges. Institutions of Higher Education would be exempt from the requirements of the bill.

SECTION 4

This section would establish a task force on cloud transition. The task force is to include representatives from state employee's bargaining units, a company providing cloud computing services, a trade association representing cloud computing providers, members of caucuses from the Senate and House of Representatives, the state Chief Information Officer and a member from the State Board of Community and Technical Colleges.

Staff support for the task force is to be provided by the Office of the Chief Information Officer.

The task force is to report its findings and recommendations to the Governor and Legislature by November 30, 2021.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No cash receipts impact.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

No expenditure impact.

The State Board for Community and Technical Colleges has already taken significant steps in migrating applications and services to the Cloud. Most services are already operating in a Cloud environment.

Participating in the task force on cloud computing can be accomplished within existing resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required